Forestry Innovation Investment Ltd.

FINANCIAL INFORMATION ACT STATEMENT AND SCHEDULES

Year ended March 31, 2015

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Forestry Innovation Investment Ltd.

Statement of Financial Information Approval

FIR,Schedule 1,section 9

The undersigned represents the Board of Directors of Forestry Innovation Investment Ltd.
and approves all the statements and schedules included in this Statement of Financial Information,
produced under the Financial Information Act.

Tim Sheldan
Board Member
Date: 15.09.30

Statement of Management Responsibility

Scope of Responsibility

Management has supervised preparation of the accompanying consolidated financial statements and related note disclosures and is responsible for their integrity and objectivity. The consolidated financial statements of Forestry Innovation Investment Ltd. (FII) have been prepared by management in accordance with the financial reporting provisions prescribed by the Province of British Columbia pursuant to Section 23.1 of the Budget Transparency and Accountability Act (see Note 2(a).

We believe that these consolidated financial statements present fairly FII's financial position as at March 31, 2015 and the consolidated statement of operations, change in net assets, and cash flow for the year ending March 31, 2015 and that the other information contained in the Company's annual report is consistent with the consolidated financial statements as presented.

Internal Controls

Management is responsible for the integrity of the financial statements and has established systems of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to facilitate the preparation of the financial statements in a timely manner. We continually monitor these internal accounting controls, modifying and improving them as business conditions and operations change. We believe our system of internal accounting controls provide reasonable assurance that errors or irregularities that would be material to the consolidated financial statements are prevented or detected in the normal course of business.

Board of Directors and Audit Committee

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and overseeing management's discharge of its financial reporting responsibilities. An Audit Committee is appointed by the Board. The Audit Committee reviews the consolidated financial statements, adequacy of internal controls, audit process and financial reporting with management and with the external auditors. The Audit Committee has reviewed these consolidated statements prior to recommending approval by the Board of Directors. The Board of Directors has reviewed and approved the financial statements.

Independent Auditors

Grant Thornton has performed an independent audit of the consolidated financial statements of Forestry Innovation Investment Ltd. The Auditor's Report, as attached, outlines the scope of this independent audit and expresses an opinion on the financial statements of Forestry Innovation Investment Ltd.

Michael Loseth
Acting Chief Executive Officer

Douglas Greig
Vice President and Chief Financial Officer

Vancouver, British Columbia
May 29, 2015

Grant Thornton

Independent Auditor's Report

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To the Board of Directors of
Forestry Innovation Investment Ltd.

To the Minister of International Trade,
Province of British Columbia

We have audited the accompanying consolidated financial statements of Forestry Innovation Investment Ltd., which comprise the consolidated statement of financial position as at March 31, 2015 and the consolidated statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these consolidated financial statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Grant Thornton

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of Forestry Innovation Investment Ltd. for the year ended March 31, 2015 are prepared, in all material respects, in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of matter

Without modifying our opinion we draw attention to Note 2 to the consolidated financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Grant Thornton LLP

Vancouver, Canada
May 29, 2015

Chartered Accountants

Forestry Innovation Investment Ltd.
Consolidated Statement of Financial Position

(in thousands of dollars)

March 31	Note	2015	2014
Financial assets			
Cash		$ 2,372	$ 2,532
Accounts receivable		725	248
Due from Province of British Columbia		26	21
Due from other governments		592	214
Total financial assets		3,715	3,015
Liabilities			
Accounts payable and accrued liabilities	3	1,487	1,179
Due to Province of British Columbia		2	-
Due to other governments		21	19
Recipient payables	4	362	237
Deferred contributions	6	1,033	665
Total liabilities		2,905	2,100
Net financial assets		810	915
Non-financial assets			
Tangible capital assets	7	908	730
Prepaid expenses		645	572
Total non-financial assets		1,553	1,302
Accumulated surplus		$ 2,363	$ 2,217

Commitments (Note 8)

Approved by the Board

Director

Director

See accompanying notes to the consolidated financial statements.

Forestry Innovation Investment Ltd.
Consolidated Statement of Operations and Accumulated Surplus

(in thousands of dollars)

Year ended March 31	Note	Budget	2015	2014
Revenue	10			
Government contributions				
Provincial		$ 17,000	$ 16,813	$ 17,306
Federal		600	1,028	731
Other revenue		200	713	640
Investment income		-	49	38
		17,800	18,603	18,715
Expenses	10			
Funding recipient initiatives		9,030	8,808	9,140
Market initiatives and outreach				
FII Vancouver		3,070	3,466	3,761
FII China		2,800	3,009	2,708
FII India		1,700	1,948	1,532
Corporate services		1,200	1,226	1,181
		17,800	18,457	18,322
Annual surplus		-	146	393
Accumulated surplus, beginning of year		2,217	2,217	1,824
Accumulated surplus, end of year		$ 2,217	$ 2,363	$ 2,217

See accompanying notes to the consolidated financial statements.

Forestry Innovation Investment Ltd.
Consolidated Statement of Changes in Net Financial Assets

(in thousands of dollars)

Year ended March 31	Budget	2015	2014
Annual surplus	$ -	$ 146	$ 393
Acquisition of tangible capital assets	(225)	(469)	(238)
Amortization of tangible capital assets	255	279	198
Disposal of tangible capital assets	-	12	-
Acquisition of prepaid expenses	-	(73)	(132)
Increase (decrease) in net financial assets	30	(105)	221
Net financial assets, beginning of year	915	915	694
Net financial assets, end of year	$ 945	$ 810	$ 915

See accompanying notes to the consolidated financial statements.

Forestry Innovation Investment Ltd.
Consolidated Statement of Cash Flows

(in thousands of dollars)

Year ended March 31	2015	2014
Cash provided by (used in):		
Operating		
Annual surplus	$ 146	$ 393
Items not involving cash		
Amortization of tangible capital assets	279	198
Amortization of deferred contributions	(237)	(127)
Loss on disposal of tangible capital assets	12	-
Change in accounts receivable	(860)	894
Change in recipient advances and payables	125	566
Change in accounts payable and accrued liabilities	312	(137)
Change in prepaid expenses	(73)	(132)
	(296)	1,655
Capital		
Acquisition of tangible capital assets	(469)	(238)
Financing		
Receipt of deferred contributions	605	230
(Decrease) increase in cash	(160)	1,647
Cash, beginning of year	2,532	885
Cash, end of year	$ 2,372	$ 2,532

See accompanying notes to the consolidated financial statements.

1. General

Forestry Innovation Investment Ltd. (the "Company" or "FII Vancouver") was incorporated on March 31, 2003 under the laws of the Province of British Columbia (the "Province"). The Company has authorized capital of 100 common shares without par value of which 10 shares are issued and outstanding. Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of International Trade, holds the shares issued. A board of directors governs the Company, and all directors are appointed by the Province. The Company's principal activities are to fund forest industry associations and research institutions and to deliver market development and market initiatives and outreach programs.

2. Summary of significant accounting policies

(a) Basis of presentation

These consolidated financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia which requires accounting policies which are consistent with Canadian public sector accounting standards except in regard to the accounting for restricted capital contributions.

Under Section 23.1 of the Budget Transparency and Accountability Act and its related regulations, the Company is required to recognize restricted capital contributions as a liability and recognize them into revenue on the same basis as the related amortization expense.

Under Canadian public sector accounting standards, those transfers with stipulations that have been met or that do not contain stipulations that create a liability, are fully recognized into revenue.

The impact of this difference on the consolidated financial statements of the Company would be a decrease in deferred capital contributions as at March 31, 2015, and increases in revenues and annual surplus for the year then ended.

(b) Reporting entity and basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of the Company consolidated with FII Consulting (Shanghai) Co., Ltd. ("FII China"), a wholly-owned subsidiary registered under the laws of the People's Republic of China, 0939031 B.C. Ltd., a wholly-owned subsidiary registered under the laws of British Columbia and Forestry Innovation Consulting India Pvt. Ltd. ("FII India"), a wholly-owned subsidiary of the Company and 0939031 B.C. Ltd., registered under the laws of the Republic of India.

FII China is based in Shanghai, China, and FII India is based in Mumbai, India with both subsidiaries delivering market development programs on behalf of the Company. The subsidiaries are consolidated on a line-by-line basis after inter-organizational transactions and balances between these entities have been eliminated.

2. Summary of significant accounting policies (continued)

(c) Revenue recognition

Unrestricted contributions, donations and grants are recorded as revenue when receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Restricted contributions include amounts received from the Province and the Canadian Federal Government for specific purposes. Restricted contributions are recorded as deferred contributions when received or receivable. The deferred contribution and associated revenue are recognized based upon the nature of the restriction, as follows:

(i) Restricted capital contributions

Capital contributions for the purpose of acquiring or developing a depreciable tangible capital asset are recorded and referred to as deferred capital contributions. Deferred capital contributions are reduced and the associated revenue recognized at the same rate and in the same fiscal period that amortization is recognized in respect of acquired depreciable tangible capital asset used to provide services.

(ii) Other restricted contributions

Deferred contributions are reduced and the associated revenue recognized in the period during which the stipulation or restriction on the contribution have been met.

Investment income includes interest recorded on an accrual basis.

(d) Program expenses

Program expenses include amounts transferred to recipient organizations based on recipient funding contracts to carry out specific program activities. Amounts transferred are recognized as expenses in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met by the recipient, and reasonable estimates of the amounts can be made.

(e) Pension plans

The Company and its employees contribute to the Public Service Pension Plan, which is a multi-employer jointly trusteed plan. The plan is a defined benefit plan, providing pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. As the assets and liabilities of the plan are not segregated by employer, the plan is accounted for as a defined contribution plan and any Company contributions to the plan are expensed as incurred.

(f) Financial instruments

Financial instruments consist of cash, accounts receivable, amounts due from the Province, amounts due from other governments, accounts payable and accrued liabilities, amounts due to the Province, amounts due to other governments, and recipient payables.

The Company measures its financial instruments at cost or amortized cost.

2. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

For financial instruments measured at cost or amortized cost, transaction costs are added to the cost of the financial instruments.

Interest and dividends attributable to financial instruments are reported in the consolidated statement of operations.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations.

There are no financial instruments measured at fair value; therefore, the consolidated financial statements do not include a consolidated statement of remeasurement gains and losses.

(g) Non-financial assets

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life
Computer equipment	3 years
Computer software	2 years
Furniture and equipment	5 years
Leasehold improvements	lesser of the lease term and its useful life
Tradeshow booths	3 years

Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

(iii) Interest capitalization

The Company does not capitalize interest costs associated with the acquisition or construction of tangible capital assets.

(iv) Intangible assets

Intangible assets are not recognized in these consolidated financial statements.

2. Summary of significant accounting policies (continued)

(h) Foreign currency translation

These consolidated financial statements are stated in Canadian dollars. The Company's foreign operations, conducted through FII China and FII India, are considered financially interdependent with the Company, and are translated from Chinese Renminbi (RMB) and Indian Rupee (INR) using the temporal method of translation. Accordingly, monetary assets and liabilities are translated at the spot exchange rates in effect at the date of the statement of financial position; non-monetary items are translated at historical exchange rates in effect on the dates of the transactions. Revenue and expense items are translated at monthly average exchange rates in effect during the month in which the transaction occurred, except for amortization which is translated at the historical exchange rate of the corresponding non-monetary item. Realized exchange gains and losses are included in the consolidated statement of operations.

(i) Budget

Budget data presented in these consolidated financial statements are based on the Company's Service Plans. The budget was approved by the Board of Directors on April 8, 2014.

(j) Use of estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the useful lives of property and equipment. Actual results could differ from those estimates.

(k) Segment disclosures

A segment is defined as a distinguishable activity or group of activities of a government for which is it is appropriate to separately report financial information. The Company has provided definitions of segments used by the Company as well as presented financial information of the segments in Note 10.

(l) Comparative figures

Certain of the prior year's comparative figures have been reclassified to conform with the current year's presentation.

3. Accounts payable and accrued liabilities	**2015**	2014
Trade payables	$ **523**	$ 310
Accrued liabilities	**964**	869
	$ **1,487**	$ 1,179

4. Recipient payables

The Company's policy on recipient funding is to withhold a percentage of earnable administration costs from their interim advances. Recipients would qualify for this final funding amount withheld based on meeting eligible reporting criteria in the recipient reporting process.

As at March 31, 2015, the Company has identified $362 (2014 - $237) as payable to the recipient organizations.

5. Pension plans

The Company and its employees contribute to the Public Service Pension Plan, which is a multi-employer jointly trusteed plan. The plan is a defined benefit plan, providing pension on retirement based on the member's age of retirement, length of service and highest earnings averaged over five years. The board of trustees of the plan represents plan members and employers and is responsible for the management of the plan including investment of the assets and administration of the plan.

The most recent actuarial valuation for the Public Service Pension Plan as at March 31, 2014 indicated a $194 million funding surplus for basic pension benefits.

The plan is accounted for as a defined contribution plan. During the year ended March 31, 2015 the Company paid $135 (2014 - $28) for employer contributions to the plan.

6. Deferred contributions

Deferred contributions consist of contributions received from the Province for tangible capital assets and other capital and operating contributions for which goods and services remain outstanding. Deferred contributions are comprised of the following:

	Provincial	Other	2015	2014
Balance, beginning of year	$ 665	$ -	$ 665	$ 562
Contributions received during the year	516	89	605	230
Amounts amortized to revenue	(237)	-	(237)	(127)
Balance, end of year	$ 944	$ 89	$ 1,033	$ 665

Included in Provincial deferred contributions is $98 (2014 - $20) that is unspent.

7. Tangible capital assets

(a) Assets in use

Cost

	2014	Additions	Disposals	2015
Computer equipment	$ 704	$ 94	$ (86)	$ 712
Computer software	63	-	-	63
Furniture and equipment	322	89	(6)	405
Leasehold improvements	758	68	(7)	819
Tradeshow booths	522	218	-	740
	$ 2,369	$ 469	$ (99)	$ 2,739

Accumulated amortization

	2014	Amortization	Disposals	2015
Computer equipment	$ 578	$ 73	$ (85)	$ 566
Computer software	63	-	-	63
Furniture and equipment	247	25	(2)	270
Leasehold improvements	294	135	-	429
Tradeshow booths	457	46	-	503
	$ 1,639	$ 279	$ (87)	$ 1,831

Net book value

	2014	2015
Computer equipment	$ 126	$ 146
Computer software	-	-
Furniture and equipment	75	135
Leasehold improvements	464	390
Tradeshow booths	65	237
	$ 730	$ 908

(b) Assets disclosed at nominal values

The cost of tangible capital assets includes the fair market value of certain assets transferred to the Company from the Province effective April 1, 2003 for one dollar. These assets are now fully amortized.

8. Commitments

(a) The Company has lease commitments for its premises it occupies.

2016	$ 1,189
2017	891
2018	324
2019	243
2020	-
Thereafter	-
	$ 2,647

(b) The Company also has an obligation to pay $1,524 (2014 - $447) for contracts entered into and not yet completed at March 31, 2015.

(c) Cash consists of an operating line of credit with HSBC Bank of Canada with maximum available credit of $2,000,000 which incurs interest at prime plus 1.5% per annum. As of March 31, 2015, no amounts have been withdrawn through the utilization of the credit line.

9. Financial instruments risk management

The Company has exposure to the following risks from its use of financial instruments:

Credit risk

Credit risk is the risk that the Company's counterparties default or become insolvent.

The Company is potentially exposed to credit risk through cash, accounts receivable, amounts due from the Province, and amounts due from other governments. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand. Accounts receivable consist mainly of cost share agreements which are monitored on a regular basis. Amounts due from the Province and amounts due from other governments consist of reimbursement claims. It is the Company's opinion that its exposure to credit risk is subject to normal industry risks and is considered minimal.

As at March 31, 2015, accounts receivable, amounts due from the Province, and amounts due from other governments are comprised of:

	Under 90 days	Over 90 days	Total
Accounts receivable	$ 725	$ -	$ 725
Due from Province of British Columbia	26	-	26
Due from other governments	592	-	592
Allowance for doubtful accounts	-	-	-
	$ 1,343	$ -	$ 1,343

9. Financial instruments risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company manages its exposure to liquidity risk by maintaining sufficient cash balances throughout the year to meet its short-term obligations. It is the Company's opinion that its exposure to liquidity risk is subject to normal industry risks and is considered minimal.

Market risk

Market risk is the risk that fluctuations in market prices will affect the Company's net financial assets. Market risk comprises two types of risk:

Currency risk and foreign denominated cash
Currency risk is the risk that fluctuations in foreign currencies will affect the Company's net financial assets denominated in foreign currencies.

The Company is subject to foreign exchange risk through its program payables and program advances and a portion of the Company's program and tradeshow costs, which are denominated in Chinese Renminbi, Indian Rupee and United States Dollars. The Company manages its exposure to currency risk by monitoring its assets and liabilities denominated in foreign currencies and purchasing foreign denominated currency to pay upcoming commitments when the market conditions are favourable. The Company does not use derivatives instruments to reduce its exposure to foreign currency risk. Included in office costs is $148 (2014 – ($3)) foreign exchange gains (losses).

The amounts shown are translated to Canadian dollars at the closing rate:

	2015			
	USD	RMB	INR	Total
Cash	$ 176	$ 391	$ 259	$ 826
Accounts receivable	-	13	235	248
Accounts payable	-	248	439	687

	2014			
	USD	RMB	INR	Total
Cash	$ 940	$ 305	$ 208	$ 1,453
Accounts receivable	-	6	69	75
Accounts payable	-	331	276	607

Interest rate risk
Interest rate risk is the risk that fluctuations in interest rates will affect the Company's net financial assets that bear interest at variable rates. The Company manages its exposure to interest rate risk by investing in interest bearing cash accounts.

10. Segmented information

Segmented information has been identified based upon programs provided by the Company. Company programs and their activities are reported by functional area in the body of the consolidated financial statements. Programs that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) Funding Recipient Initiatives

Uses project funding delivered through an annual "Call for Proposals" in partnership with the Government of Canada to fund forest industry associations and research institutions, to:

- Maintain and create opportunities for B.C. wood products in existing and emerging markets;
- Ensure that customers, consumers, designers, builders, developers and architects know about B.C. wood products and the many positive features they bring to wood-frame construction and interior finishing;
- Support the development of innovative new forest products; and
- Provide interested parties around the world with information on the properties and qualities of B.C.'s forest products and the B.C. companies that supply them.

(b) Market Initiatives and Outreach Program

(i) FII Vancouver Initiatives

Internally directs delivered programs that:

- Identify potential opportunities for B.C. forest products through market research and develop market access strategies;
- Ensure B.C. forest products have access to markets free from regulatory and other barriers through initiatives and research; and
- Provide customers and foreign regulators with facts about the environmental merits of B.C. forest products, including the sustainable forest management regime that underlies their production.

(ii) FII China Initiatives

FII China has a mandate to increase the volume and value of B.C. lumber exports to China by expanding the share of wood frame construction in China's building sector. FII China focuses on the following activities:

- Expanding and strengthening relationships with central and regional government agencies responsible for building and construction in China and with large state-owned developers, emphasizing the pursuit of strategic and joint initiatives;
- Building partnerships with established market leaders in China's development sector and supporting these companies in areas of concept development, planning and design, code application, and resource integration; and
- Working closely with Canadian forest industry trade association staff to expand China's technical capacity to deploy wood frame construction.

10. Segmented information (continued)

(b) Market Initiatives and Outreach Program (continued)

(iii) FII India Initiatives

FII India has a mandate to establish a local presence in India for B.C. and Canadian forest products companies; develop working relationships with government officials, regulatory agencies, and the wood user community; and position B.C. and Canadian forest products for future growth. The operation focuses on early-market (pre-commercial) development activities, including:

- Supporting development of the market for B.C. and Canadian forest products through market research;
- Promoting B.C. and Canadian wood species in various end-uses;
- Educating the market place on B.C. and Canadian wood species and their proper use;
- Providing intermediation with Indian regulatory authorities; and
- Providing direct support for B.C. companies entering the India market

(c) Corporate services

Corporate services performs the following activities:

- Ensures financial reporting to government standards;
- Provides Human Resource, IT and office services to meet organizational needs;
- Oversees budget and planning controls in alignment with strategic objectives; and
- Provides corporate communication and analytical services to meet internal and external needs.

10. Segmented information (continued)

	Recipient Funding Initiatives	Market Initiatives and Outreach: FII Vancouver	FII China	FII India	Corporate Services	2015 Total	2014 Total
Revenues							
Government contributions							
Provincial	$ 9,030	$ 2,683	$ 2,800	$ 1,100	$ 1,200	**$ 16,813**	$ 17,306
Federal	114	164	-	750	-	**1,028**	731
Other revenue	-	638	-	71	4	**713**	640
Investment income	-	-	-	-	49	**49**	38
Total revenues	9,144	3,485	2,800	1,921	1,253	**18,603**	18,715
Expenses							
Amortization	-	-	35	161	83	**279**	198
Auditing	174	-	39	20	53	**286**	156
Grants	240	-	10	-	-	**250**	854
Office costs	-	269	523	496	160	**1,448**	1,137
Professional services	95	1,692	774	436	276	**3,273**	3,219
Program costs	7,993	199	177	82	(114)	**8,337**	8,632
Salaries, wages and benefits	306	1,154	1,216	426	694	**3,796**	3,358
Trade missions	-	20	7	102	-	**129**	77
Travel and business costs	-	132	228	225	74	**659**	691
Total expenses	8,808	3,466	3,009	1,948	1,226	**18,457**	18,322
Annual surplus (deficit)	$ 336	$ 19	$ (209)	$ (27)	$ 27	**$ 146**	$ 393

Forestry Innovation Investment Ltd.

Various Sections

FIR, Schedule 1, section 2

Statement of Assets & Liabilities

Information on all Assets & Liabilities is available in the Consolidated Statement of Financial Position and Statement of Changes in Net Financial Assets (Debt) of the Consolidated Financial Statements.

FIR, Schedule 1, section 3

Operational Statement

Information on the Operational Statement is available in the Consolidated Statement of Operations and Accumulated Surplus of the Consolidated Financial Statements.

FIR, Schedule 1, section 4

Schedule of Debts

There are no outstanding Capital Leases for this organization for the fiscal year 2014/2015

Forestry Innovation Investment Ltd.

Schedule of Guarantee and Indemnity Agreements

FIR, Schedule 1, section 5

Information on all guarantees and indemnities for this organization is included in Note 8 of the consolidated financial statements.

Forestry Innovation Investment Ltd.

Schedule Showing The Remuneration and Expenses Paid To Or On Behalf Of Each Employee

FIR, Schedule 1, section 6

1 Members of the Board of Directors

Name	Position	Remuneration [1]	Expenses [1]
Sheldan, T	Chair	-	-
Baskerville, S	Vice Chair	-	-
Carroll, S	Director	-	-
Peterson, D	Director	-	-
Total		-	-

2 Other Employees

Name	Remuneration [2]	Expenses [3]
Baker, K	$ 183,032	$ 38,019
Bridgman, L	100,716	1,364
Diebold, C	77,721	10,182
Dou, L	213,744	39,740
Florin, B	90,524	6,855
Greig, D	156,692	36,503
Huang, F	160,998	10,669
Kuan, S	118,534	21,399
Lee, H	84,029	7,137
Lim, N	123,344	6,909
Liu, G	132,051	35,907
Loseth, M	159,778	97,495
Patterson, D	99,128	6,153
Regan, K	118,032	5,839
Robertson, K	72,595	3,606
Sanderson, P	115,464	24,576
Smith, G	107,110	4,099
Tan, L	75,009	3,863
Xie, N	113,316	20,731
Zeitler-Fletcher, S	125,376	15,770
Zhuang, B	130,216	33,255
Consolidated total of other employees with remuneration and expenses of $75,000 or less	702,371	95,068
Total: Other Employees	$ 3,259,780	$ 525,140

3 Reconciliation

Total remuneration-board of directors		$ -
Total remuneration - other employees		3,259,780
Total benefits and other overhead charges	[4]	34,196
Total		$ 3,293,976
Total per segmented note disclosure 10 of the Consolidated Financial Statements		3,796,157
Variance	[5]	$ (502,182)

Notes:

[1] There was no remuneration paid to or expenses reimbursed by Forestry Innovation Investment Ltd. to its board members

[2] Remuneration includes any form of salary, wages, vacation payout, severance and taxable benefits (includes RRSP contributions)

[3] Expenses include travel expenses, memberships, conferences, and similar amounts paid directly to or on behalf of an employee

[4] Includes accruals and other overhead charges

[5] Variance from financial reporting reflects contractor payments and company portion of contributions to EI, CPP, registered pension plan and health plans recorded in the Schedule of Goods and Services rather than the Schedule of Remuneration and Expenses

Forestry Innovation Investment Ltd.

Statement of Severance Agreements

FIR, Schedule 1, subsection 6 (7)

There were two severance agreement under which payment commenced between Forestry Innovation Investment Ltd. and its non-unionized employees during fiscal year 2014/2015.

These agreements represent four months of compensation*

*Compensation was based on salary and benefits on the agreement.
Benefits include extended group health.

Forestry Innovation Investment Ltd.

Schedule Showing Payments Made For the Provision of Goods or Services

FIR, Schedule 1, section 7

1 Alphabetical list of suppliers who received aggregate payments exceeding $25,000

Supplier Name	Aggregate Amount paid to Supplier
American Institute of Architects	$ 63,504
Anjali Ahuja	104,052
APA-The Engineered Wood Association.	63,308
Avocette Techonologies Inc.	95,733
B F Wadia & Sons	55,479
BC Pension Corporation	135,286
BC Wood Specialties Group	933,673
Bentall Kennedy (Canada) Ltd. Partnership	255,659
Best	28,884
Blake, Cassels & Graydon LLP	43,448
Brian Leslie	208,060
Brudder Productions Inc.	51,181
Canada Wood Group	3,141,745
Canadian Wood Council	692,232
CDW Canada Inc.	26,128
China State Administration of Taxation	190,610
Choose Outdoors	29,082
Coast Forest Products Association.	118,127
Cortex Consultants Inc.	77,121
Council of Forest Industries	286,190
Creacom Services Inc., DBA Ken Heit Creative	376,860
Crisil Ltd.	30,294
Daniel J. Edelman Inc.	368,242
Davies & Co.	174,397
Dodge Data & Analytics	26,530
Eggfirst Advertising Pvt. Ltd.	31,145
Ernst & Young LLP	44,117
FII Consulting (Shanghai) Co., Ltd.	88,163
Forestry Innovation Consulting India Pvt. Ltd.	80,801
FPInnovations	572,926
Grant Thornton LLP	75,479
Great West Life	82,750
Hanley Wood Media Inc.	52,486
Heritage Office Furnishings Ltd.	38,947
India Department of Revenue and Taxation	92,805
Indian Government APA	27,892
Indufor Asia Pacific Ltd.	140,209
Informa Exhibitions (USGBC)	38,610
Insite Management Ltd.	193,803
Instone India Pvt. Ltd.	25,043
International Wood Markets Group Inc.	76,053
Ipirti	33,016
JN International Consulting Inc.	30,460

Supplier Name	Aggregate Amount paid to Supplier
Kintetsu World Express	33,277
Lois Looman	117,656
Mellenger Interactive Ltd.	30,578
Meltwater News Canada Inc.	29,693
Minister of Finance-International Trade	45,210
Myers Norris Penny LLP	62,837
NRCan / Canadian Forest Service	51,929
Pranesh Chhibber	80,499
Raymond Lu	64,162
Receiver General for Canada	67,276
Ritam Banerjee	27,160
Shanghai HongLin International Travel Angency Co.,Ltd.	45,775
Shanghai Jianke Building Energy Efficiency Assessment Firm	40,371
Shanghai JinQiao Export Processing Zone Joint Development Co.,Ltd.	335,437
Shanghai JinQing Car Rental Co.,Ltd.	25,118
Shanghai KaiCheng Property Management Co.,Ltd.	48,806
Shanghai Qijian (Fu Weizhou)	83,146
Shanghai QiJian Architectural Design Co.,Ltd.	67,518
Shree Naman Builders Pvt. Ltd.	77,168
Sudden Technologies	34,143
Tara Pratt	38,207
TCS Nortex Business Consulting Co., Ltd.	34,647
Telus	27,657
The University of British Columbia	349,753
The University of New Brunswick	57,092
TLG India Pvt. Ltd.	41,965
TNS Canada Ltd.	44,450
Western Red Cedar Lumber Association.	871,571
Wood & Function	28,147
Wood Pellet Association of Canada	29,338
Wood Products Council	963,710
Total aggregate amount paid to suppliers	**13,154,827**

2	**Consolidated total paid to suppliers who received aggregate payments of $25,000 or less**	**$**	**1,522,011**
3	**Consolidated total of all grants and contributions exceeding $25,000** (2)	**$**	**190,000**
4	**Reconciliation**		
	Total of aggregate payments exceeding $25,000 paid to suppliers	$	13,154,827
	Consolidated total of payments of $25,000 or less paid to suppliers		1,522,011
	Consolidated total of all grants and contributions exceeding $25,000		190,000
	Employee remuneration and expenses (1)		3,819,116
	Change in capital assets net of amortization and exchange gain/loss		(228,665)
	Total	$	18,457,288
	Total per Schedule of Expenditures by Business Segment		18,457,288
	Variance	$	-

Supplier Name	Aggregate Amount paid to Supplier

Notes:

(1) Employee wages, related expenses, and travel were recorded in the Schedule of Expenditures but not in the Schedule of Goods and Services.

(2) The payments reported in this section of the Financial Act include Grants and Contributions as follows:

Amounts greater than $25,000

BC Housing	$	40,000
Canadian Wood Council		50,000
BC Building Standards and Safety Branch		100,000
Total	$	190,000
Accounts under $25,000		59,995
Total Grants and Contributions	**$**	**249,995**

Financial Information Regulation, Schedule 1

Checklist – Statement of Financial Information (SOFI)

For the Corporation:

Corporate Name:	Forestry Innovation Investment Ltd.	Contact Name:	Gerry Smith, MBA, CPA, CGA
Fiscal Year End:	March 31, 2015	Phone Number:	(604) 601-5306
Date Submitted:	September 30, 2015	E-mail:	gerry.smith@bcfii.ca

For the Ministry:

Ministry Name:	International Trade.	Reviewer:	Tracy Campbell				
Date Received:	Sept 30/15	Deficiencies:	Yes	☐	No	☒
Date Reviewed:	10/15	Deficiencies Addressed:	Yes	☐	No	☒
Approved (SFO):		Further Action Taken:				

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FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
	General				
1 (1) (a)	Statement of assets and liabilities	☒	☐	☐	As per the Consolidated Financial Statements
1 (1) (b)	Operational statement	☒	☐	☐	As per the Consolidated Financial Statements
1 (1) (c)	Schedule of debts	☒	☐	☐	As per the Consolidated Financial Statements
1 (1) (d)	Schedule of guarantee and indemnity agreements	☒	☐	☐	As per the Consolidated Financial Statements (note 8)
1 (1) (e)	Schedule of employee remuneration and expenses	☒	☐	☐	
1 (1) (f)	Schedule of suppliers of goods and services	☒	☐	☐	
1 (3)	Statements prepared on a consolidated basis or for each fund, as appropriate	☒	☐	☐	
1 (4) 1 (5)	Notes to the financial statements for the statements and schedules listed above	☒	☐	☐	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
	Statement of Assets & Liabilities				
2	• A balance sheet prepared in accordance with GAAP or stated accounting principles / policies, and • Show changes in equity and surplus or deficit due to operations	☒	☐	☐	As per the Consolidated Financial Statements
	Operational Statement				
3 (1)	Prepared in accordance with GAAP or stated accounting principles / policies and consists of: • a Statement of Income or Statement of Revenue and Expenditures, and • a Statement of Changes in Financial Position	☒	☐	☐	As per the Consolidated Financial Statements
3 (2) 3 (3)	• The Statement of Changes in Financial Position may be omitted if it provides no additional information • The omission must be explained in the notes	☒	☐	☐	As per the Consolidated Financial Statements
3 (4)	Community colleges, school districts, and municipalities must prepare a Statement of Changes in Financial Position for the Capital Fund	☐	☐	☒	
	Schedule of Debts				
4 (1) (a) 4 (2)	List each long-term debt (secured by debentures, mortgages, bonds, etc.), stating the amount outstanding, the interest rate, and the maturity date	☐	☐	☒	
4 (1) (b)	Identify debts covered by sinking funds or reserves and amounts in these accounts	☐	☐	☒	
4 (3) 4 (4)	• The schedule may be omitted if addressed under section 2 or 5 and it provides no additional information • The omission must be explained in a note to the schedule	☐	☐	☒	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Guarantee and Indemnity Agreements					
5 (1)	List financial agreements that required government approval prior to being given (see Guarantees and Indemnities Regulation in FIA Guidance Package)	☐	☐	☒	
5 (2)	State the entities involved, and the specific amount involved if known	☐	☐	☒	
5 (3) 5 (4)	• The schedule may be omitted if addressed under section 2 or 4 and it provides no additional information • The omission must be explained in a note to the schedule	☐	☐	☒	
Schedule of Remuneration and Expenses (See Guidance Package for suggested format)					
6 (2) (a)	List separately, by name and position, the total remuneration and the total expenses for each elected official, member of the board of directors, and employee appointed by Cabinet	☐	☐	☒	
6 (2) (b)	List alphabetically each employee whose total remuneration exceeds $75,000 and the total expenses for each [excluding the persons listed under 6 (2) (a)]	☒	☐	☐	
6 (2) (c)	Include a consolidated total for employees whose remuneration is $75,000 or less [excluding the persons listed under 6 (2) (a)]	☒	☐	☐	
6 (2) (d)	Reconcile or explain any difference between total remuneration in this schedule and related information in the operational statement	☒	☐	☐	
6 (3)	Exclude personal information other than name, position, function or remuneration and expenses of employees	☒	☐	☐	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Remuneration and Expenses (See Guidance Package for suggested format)					
6 (6)	Report the employer portion of EI and CPP as a supplier payment to the Receiver General for Canada rather than as employee remuneration	☒	☐	☐	
6 (7) (a) 6 (7) (b)	Include a statement of severance agreements providing: • the number of severance agreements under which payment commenced in the fiscal year being reported on for non-union employees, and • the range of equivalent months' compensation for them (see Guidance Package for suggested format)	☒	☐	☐	
6 (8)	Provide the reason for omitting a statement of severance agreements in a note to the schedule of remuneration and expenses	☒	☐	☐	
Schedule of Suppliers of Goods or Services (See Guidance Package for suggested format)					
7 (1) (a)	List in alphabetical order all suppliers of goods and services who received aggregate payments exceeding $25,000	☒	☐	☐	
7 (1) (b)	Include a consolidated total of all payments to suppliers who received $25,000 or less	☒	☐	☐	
7 (1) (c)	Reconcile or explain any difference between the consolidated total and related figures in the operational statement	☒	☐	☐	
7 (2) (b)	Include a statement of payments for the purposes of grants or contributions	☒	☐	☐	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
	Inactive Corporations				
8 (1)	The ministry reports for the corporation if the corporation is not operating to the extent required to produce a SOFI	☐	☐	☒	
8 (2) (a)	The ministry's report contains the statements and schedules required under section 1 (1), to the extent possible	☐	☐	☒	
8 (2) (b)	The ministry's report contains a statement of the operational status of the corporation (see Guidance Package regarding what to include)	☐	☐	☒	
	Approval of Financial Information				
9 (1)	Corporations other than municipalities – the SOFI is signed as approved by the board of directors or the governing body (see Guidance Package for example)	☒	☐	☐	
9 (2)	Municipalities – the SOFI is approved by its council and by the officer assigned responsibility for financial administration (see Guidance Package for example)	☐	☐	☒	
9 (3)	A management report is included, signed by the head and chief financial officer, or by the municipal officer assigned responsibility for financial administration (see examples in annual report at http://www.gov.bc.ca/cas/popt/)	☒	☐	☐	
9 (4)	The management report explains the roles and responsibilities of the board of directors or governing body, audit committee, management, and the auditors	☒	☐	☐	
9 (5)	Signature approvals required in section 9 are for each of the statements and schedules of financial information, not just the financial statements	☒	☐	☐	